THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The matter is under examination of CBI. Action to be taken, if any, would be decided on completion of the examination.

Currency Notes of Higher Denomination

679. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to issue currency notes of higher denominations such as those of Rs. 1,000, 2,000 and 5,000; and

(b) if so, the details of the decision and what action has since been taken in this regard, indicating the reasons warranting such a decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Considering the present demand supply gap of fresh currency notes and real value of the notes, it has been decided to introduce notes of Rs. 1000 denomination. This will facilitate meeting the demand of high value cash transactions. However, for this purpose, the High Denomination Bank Notes (Demonetisation) Act 1978 would require amendment for which action has already been initiated. The note printing presses will be able to take up the printing of Rs. 1000 note after about 12 months from the date of enactment of the amendment.

Package Envisaging Administrative Autonomy to Public Sector Banks

680. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have announced a comprehensive package to provide administrative autonomy to public sector banks which are at present under its control;

(b) whether the extent of autonomy would depend on fulfilling certain criteria by banks including performance parameters of banks;

(c) if so, the details of criteria laid down by Government; and

(d) What remedial measures Government propose to take for credit offtake and investment risks in the deregulated regime of interests and exchange rates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) To enable the banks to cope up with the challenges posed by liberalisation and deregularisation of financial sector in the new environment, the Boards of the Public Sector Banks have been given greater administrative autonomy. Banks which fulfil the criteria of capital adequacy of more than 8% net profits during the last three years, net NPA below 9% and minimum owned funds of rupees one hundred crores, would be allowed to recruit Specialist officers and also undertake campus recruitment for partly meeting their requirement of probationary officers. The Boards of public sector banks will now be able to lay down policy in a large number of administrative and personnel matters including induction of specialists and will also have authority to create posts below the level of General Manager and formulate their own policies with regard to rural postings of officers and deputation lateral movement of their officers of other banks.

(d) RBI has reported that a number of measures have been taken to ensure adequate availability of bank credit and to ensure that bank reduce lending rates in order to increase the credit offtake. These inter-alia include phased reduction in the Cash Reserve Ratio from 15% in April, 1995 to 8% by March, 1998, reduction in lending rates by major

commercial banks, freedom to the banks regarding maximum permissible bank finance for working capital requirement, more freedom in regard to stipulation of margins, investment in shares/debentures and loan against shares. Regarding investment risks, banks have been advised to put in place asset liability management system, and to prepare detailed resource management plans. Special focus is being placed on qualitative aspects like asset laibility structure and risk perceptions.

Decision Regarding winding up of Schemes/Projects being Implemented by Ministries

681. SHRI VEDPARKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Govenment have decided to wind up 216 schemes and projects being implemented by various Ministries in order to enforce fiscal discipline as reported in the Economic Times of 9th September, 1997;

(b) what factors have made 'approved' projects of different ministries suddenly redundant and non-essential;

(c) the reaction of the Power Ministry on dropping such important projects as investigation of small hydro-electric projects, particularly in hilly and tribal areas; and

(d) the international tourism development programmes that will be affected by this decision and the impact on forex earnings due to these steps?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The identification of the scheme under different Ministries/Departments for weeding out was done on the basis of the exercise by a Committee constituted by the Ministry of Finance in consultation with the concerned Ministries/ Departments. Such of these schemes which were identified as no-longer necessary on account of different reasons such as redundancy, non-essentiality on grounds of the programmes having been completed work being transferred to State Government new programmes subsuming the existing activities under these scheme etc. have been including in the list of schemes to be weeded out.

(c) and (d) As stated above Ministry/ Department of Power and Tourism were also consulted in the identification of such schemes as in case of other Ministries. Wherever valid reasons for reconsideration have been furnished by the Ministries/Departments the cases are being reviewed. In the circumstances it would be seen that no adverse effects are likely to secure on account of this.

Liabilities on Account of Excise/Custom duties

682. SHRI VEDPARKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government liabilities on account of excise and custom duties amounting to over Rs. 20,000 crores till March, 1996 were pending;

(b) its quantum upto March, 1997;

(c) the reasons for non-recovery;

(d) the urgent and effective steps Government have taken or are proposing to take to recover this huge amount along-with interest for the period of default;

(e) the dispute settling mechanism for expenditious decisions; and

(f) whether Government would penalise the defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (f) The information is being collected and will be laid on the Table of the House.